

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0418-10
Bill No.: HCS for SS for SCS for SB 46 and 47
Subject: Dentists; Education, Higher, Elderly; Health Care; Health Care Professionals;
 Health Department; Medical Procedures and Personnel; Public Assistance;
 Licenses - Professional
Type: Original
Date: May 15, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(Could exceed \$391,000)	(\$393,400 to over \$5,393,400)	(\$395,872 to over \$5,395,872)
Dental Board	(\$10,748)	(\$11,052)	(\$11,365)
Healthy Families Trust Fund - Health Care Account	\$0	\$0 to \$5,000,000	\$0 to \$5,000,000
Health Initiatives*	(Unknown)	(Unknown)	(Unknown)
Health Access Initiatives*	\$0	\$0	\$0
Medical School Loan and Loan Repayment Program*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds**	(\$401,748 TO UNKNOWN)	(\$404,452 TO UNKNOWN)	(\$407,237 TO UNKNOWN)

*Could exceed \$100,000 annually.

** Total cost could exceed \$5.4 million annually

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Federal	\$0	\$0	\$0
Total Estimated Net Effect on All Federal Funds*	\$0	\$0	\$0

*Revenues and expenditures greater than \$489,000 annually net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 12 pages.

FISCAL ANALYSIS

ASSUMPTION

Sections 167.181, 191.600, 191.603, 191.605, 191.607, 191.609, 191.611, 191.614, 191.615, 192.070, 332.072, 332.086, 332.311, and 332.324

Officials from the **Department of Conservation**, the **Department of Transportation**, the **Department of Insurance**, and the **Department of Public Safety - Missouri State Highway Patrol** assume this proposal would not fiscally impact their agencies.

Missouri Consolidated Health Care Plan (HCP) officials state this proposal would allow a child's treating physician to administer fluoride treatments, provide literature on routine dental care for children, and would establish an Advisory Commission for Dental Hygienists. HCP states the routine dental literature and advisory commission would fall under the Department of Health's duties. Therefore, the administration of dental fluoride would affect health providers. HCP states that since the proposal does not mandate the care, it is difficult to estimate how many physicians would actually perform this service and include the cost in the contract negotiations with the plans. However, HCP feels any cost associated with the fluoride treatments would be minimal.

Officials from the **Department of Social Services (DOS)** state the proposal would allow physicians to administer fluoride treatments for children they are treating for immunizations. DOS states the proposal would also allow dental hygienists to provide fluoride treatments, teeth cleaning, and sealants without a dentist's supervision. DOS states this would allow greater

access to these dental services. DOS is unable to estimate the increase in billed units that would

ASSUMPTION (continued)

result from these two provisions.

In addition section 332.311.2 would require Medicaid to reimburse no less than seventy-five percent of usual and customary cost for fluoride treatments, teeth cleaning, and sealants provided to children. For example, DOS estimates the cost to increase the reimbursements to seventy-five percent of current services to be \$873,186. DOS estimates that one Medicaid Clerk (\$27,121) would be necessary to process the enrollments of licensed dental hygienists as Medicaid providers.

DOS estimates the total fiscal impact to be greater than \$800,000.

Department of Health (DOH) officials state they assume that they would contract for professional services to administer this program. DOH states that the costs would include administrative services, laboratory services, and office expenses. DOH estimates costs of \$80,000 annually.

Officials from the **Office of Secretary of State (SOS)** state the proposal would create a donated dental services program for certain eligible persons. SOS states that based on experience with other divisions, the rules, regulations, and forms issued by the Department of Health could require as many as approximately twenty-two pages in the "Code of State Regulations". SOS stated that for any given rule roughly half again as many pages would be published in the "Missouri Register" as in the "Code" because cost statements, fiscal notes, and the like are not repeated in the "Code". SOS states these costs were estimated. SOS estimates the cost of a page in the "Missouri Register" to be \$23. SOS estimates the cost of a page in the "Code" to be \$27. SOS states the actual costs could be more or less than the numbers given. SOS states the impact of the proposal on future years was unknown and depended upon the frequency and length of rules, filed, amended, rescinded, or withdrawn. SOS states the proposal alone would not require additional personnel but the cumulative effect of other proposals that require rulemaking activity may, in the aggregate, necessitate additional staff.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Economic Development (DED)-Professional Registration (DPR)** assume the proposed legislation would result in increased costs related to the

establishment of the Advisory Commission for Dental Hygienists. The DPR assumes annual meeting expenses of \$7,096 would be incurred for the Advisory Commission to meet quarterly, for two days each. The DPR assumes a .5 Licensure Technician II (.5 FTE at \$24,492 per year)
ASSUMPTION (continued)

ide technical support directly to the Principal Assistant. This individual would be responsible for coordinating advisory board meetings, including, but not limited to, agenda preparation, minutes, etc. Office and communication expenses and equipment are based on estimated existing costs within the Division and follow OA guidelines. The DPR also assumes the Office of the Attorney General would provide approximately 60 hours of assistance per year with rules, opinions and meetings at a cost of \$60.87 per hour, resulting in annual costs of \$3,652. NOTE: The DPR assumes a license fee increase for dental hygienists may be necessary to cover the costs associated with this proposal.

Oversight assumes workload associated with the licensing of dental hygienists is currently occurring. Thus, the proposal should not create additional workload associated with licensees. Any additional workload would be associated with quarterly meetings for the newly created Advisory Commission. Therefore, it is assumed any additional workload associated with quarterly meetings could be absorbed with existing resources. However, if the additional workload should be significant, then the DPR could request additional resources through the normal budget process.

Sections 191.211, 191.213, and 191.411

Officials from the **Department of Health (DOH)** assume there would be no cost associated with this proposal as there is staff in place to manage the PRIMO program and its components and any funds added would be appropriated by the General Assembly.

Oversight assumes this proposal would expand the expenditures of the Medical School Loan and Loan Repayment Program Fund with the inclusion of dentists. **Oversight** is unable to determine how many dentists may participate.

Section 660.026

Officials from the **Department of Social Services - Division of Medical Services (DMS)** assume that there would not be a fiscal impact to the division. If funds would be appropriated, DMS could contract and provide funding to federally qualified health centers with existing staff and resources.

Oversight assumes a range of \$0 to (\$5,000,000) from the Healthy Families Trust Fund - Health Care Account for FY 2003 and FY 2004. This range reflects the amount of new funding approved from the Healthy Families Trust Fund - Health Care Account in the FY2002 budget.

ASSUMPTION (continued)

Oversight assumes that any funding is subject to appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Transfer out - Healthy Families Trust Fund - Health Care Account</u>			
Contracted services*	\$0	\$0 to (\$5,000,000)	\$0 to (\$5,000,000)
<u>Cost - Department of Social Services</u>			
Medical assistance payments - increase reimbursements to 75%*	(\$311,000)	(\$311,000)	(\$311,000)
<u>Cost - Department of Social Services</u>			
Medical assistance payments - expansion of access to dental services	(Unknown)	(Unknown)	(Unknown)
<u>Cost - Department of Health</u>			
Contracted professional services	(<u>\$80,000</u>)	(<u>\$82,400</u>)	(<u>\$84,872</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(COULD EXCEED \$391,000)</u>	<u>(\$393,400 TO in excess of \$5,393,400)</u>	<u>(\$395,872 TO in excess of \$5,395,872)</u>

***Subject to appropriation.**

FISCAL IMPACT - State Government FY 2002 FY 2003 FY 2004

DENTAL BOARD FUND

Cost - Department of Economic
 Development - Division of Professional
 Registration

Meeting expense	(\$7,096)	(\$7,309)	(\$7,528)
Attorney General expense	(\$3,652)	(\$3,743)	(\$3,837)
Total <u>Costs</u> - DED - DPR	<u>(\$10,748)</u>	<u>(\$11,052)</u>	<u>(\$11,365)</u>

ESTIMATED NET EFFECT ON DENTAL BOARD FUND	<u>(\$10,748)</u>	<u>(\$11,052)</u>	<u>(\$11,365)</u>
---	--------------------------	--------------------------	--------------------------

**HEALTHY FAMILIES TRUST FUND
 - HEALTH CARE ACCOUNT**

Transfer in - General Revenue Fund

Tobacco settlement	<u>\$0</u>	<u>\$0 to \$5,000,000</u>	<u>\$0 to \$5,000,000</u>
--------------------	------------	----------------------------------	----------------------------------

ESTIMATED NET EFFECT ON HEALTHY FAMILIES TRUST FUND - HEALTH CARE ACCOUNT	<u>\$0</u>	<u>\$0 TO \$5,000,000</u>	<u>\$0 TO \$5,000,000</u>
--	-------------------	---	---

HEALTH INITIATIVES FUND

Transfer Out - Health Access Initiative
 Fund

Program costs*#	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
-----------------	------------------	------------------	------------------

ESTIMATED NET EFFECT ON HEALTH INITIATIVES FUND	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
---	-------------------------	-------------------------	-------------------------

FISCAL IMPACT - State Government FY 2002 FY 2003 FY 2004

FEDERAL FUNDS

Income - Department of Social Services

Medicaid reimbursements*	\$489,000	\$489,000	\$489,000
--------------------------	-----------	-----------	-----------

Cost - Department of Social Services

Medical assistance payments - increase reimbursements to 75%	(\$489,000)	(\$489,000)	(\$489,000)
---	-------------	-------------	-------------

Income - Department of Social Services

Medicaid reimbursements	Unknown	Unknown	Unknown
-------------------------	---------	---------	---------

Cost - Department of Social Services

Medical assistance payments - expansion of access to dental services	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
---	------------------	------------------	------------------

**ESTIMATED NET EFFECT ON
 FEDERAL FUNDS***

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
------------	------------	------------

***Total income and expenditures expected to exceed \$489,000 annually, with a net effect of zero.**

FISCAL IMPACT - Local Government FY 2002 FY 2003 FY 2004

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
------------	------------	------------

FISCAL IMPACT - Small Business

Small dental and doctors offices would expect to be fiscally impacted to the extent they would incur additional revenue and costs as a result of the requirements of this proposal.

DESCRIPTION

MW:LR:OD (12/00)

This proposal contains various provisions pertaining to dental care.

FLUORIDE TREATMENT AND IMMUNIZATIONS

The proposal would allow physicians to administer the appropriate fluoride treatment to children when they receive their immunizations.

In addition to exemptions based on religious and medical contraindications, the proposal would DESCRIPTION (continued)

allow children to be exempted from required immunizations if one parent or guardian objects in writing to the school administrator because of philosophical beliefs.

HEALTH CARE PROGRAMS AND INITIATIVES

The proposal would remove language prohibiting the use of general revenue funds for certain health care programs and initiatives and would allow any other funds to be used for these health care programs and initiatives. The proposal would also require the Director of the Department of Health to include dentists in the development and implementation of a plan to provide a system of coordinated health care services accessible to all persons in rural and urban areas of Missouri, particularly areas designated as health resource shortage areas.

HEALTH PROFESSIONAL STUDENT LOAN REPAYMENT PROGRAM

The proposal would rename the Medical School Loan Repayment Program as the Health Professional Student Loan Repayment Program and would expand its scope to include dentists. The criteria for areas of defined need are revised. Patient ratios, poverty and age percentages, and distance requirements to hospitals would be removed and be replaced with a designation as a shortage area by the U.S. Department of Health and Human Services or a determination of extraordinary need by the Director of the Department of Health. The maximum amount of repayment assistance would be revised from its current level of \$20,000 per year of obligated service to an amount not exceeding the maximum allowed under the National Health Service Corps Repayment Program. For students who breach their service obligation contracts, the penalty of \$500 per month of service not completed is deleted. Students would be responsible for damages incurred by the Department of Health resulting from the breach and legal fees and costs incurred in the collection of damages.

DENTAL AWARENESS, DENTISTS AND DENTAL HYGIENISTS, AND DENTAL SERVICES

The proposal would allow the Department of Health to provide literature on the importance of

routine dental care for children. Dentists and dental hygienists who are licensed in another state can practice in Missouri without an examination or payment of required fees for a period not exceeding 14 days when providing gratuitous dental or dental hygienist services. The requirement that the services be provided for summer camp is deleted.

The proposal would establish a 5-member Advisory Commission for Dental Hygienists. The duties of the commission would include recommending educational requirements for dental hygienist registration; annually reviewing the practice act of dental hygienists; providing recommendations to the Missouri Dental Board concerning the practice, licensure, examination, DESCRIPTION (continued)

and would discipline of dental hygienists; and assisting the board in implementing the dental hygienist provisions of Chapter 332, RSMo.

Members of the commission would be appointed by the Governor and would be approved with the advice and consent of the Senate. The requirements, composition, lengths of service, selection of commission members, and times of commission meetings are stated in the substitute. Members of the initial commission would be required to be appointed by April 1, 2002.

Registered and currently licensed dental hygienists who have been practicing for at least 3 years and who practice in a public health setting can without the supervision of a licensed dentist provide fluoride treatments, teeth cleaning, and sealants, if appropriate, to children who are eligible for medical assistance under Chapter 208.

By Fiscal Year 2004, the Medicaid program would be prohibited from reimbursing eligible providers who provide fluoride treatments, teeth cleaning, and sealants to eligible children at a rate less than 75% of the usual and customary charge as established by the Division of Medical Services.

Public health settings where a dental hygienist can practice without the supervision of a licensed dentist would be established jointly by the Department of Health and the Missouri Dental Board by rule. This provision would expire on August 28, 2006.

The proposal would allow the Department of Health to contract with the Missouri Dental Board to establish a Donated Dental Services Program in conjunction with the provisions of Section 332.323.

Licensed volunteer dentists would provide comprehensive dental care for the needy, disabled, elderly, and medically compromised persons. Dental care could be provided to these persons in a licensed volunteer dentist's office. Eligible persons would be required to pay for dental laboratory costs.

The department may contract with the Missouri Dental Board, its designee, or other qualified organizations to administer the program. The proposal also contains provisions specifying the contractual responsibilities of the organization administering the program.

FEDERALLY QUALIFIED HEALTH CENTERS

The proposal would allow the Director of the Department of Social Services, or a designee, to contract with and to provide funding support to federally qualified health centers in Missouri. Funding support would be subject to appropriations.

DESCRIPTION (continued)

The funding would be required to be used to assist the health centers in ensuring the provision of health care and dental care to needy persons. The funds could also be used by the health centers for capital expansion, infrastructure redesign, or other similar uses if federal funding is not available for these purposes.

The proposal contains an emergency clause pertaining to the following: fluoride treatments and immunizations; dental awareness for children; gratuitous dental services and dental hygienists services; dental hygienists services without the supervision of a licensed dentist; the establishment of an Advisory Commission for Dental Hygienists; the Donated Dental Services Program; and funding for federally qualified health centers.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Conservation
Department of Transportation
Department of Insurance
Department of Public Safety
Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Department of Economic Development
Division of Professional Registration
Department of Health
Department of Social Services
Office of Secretary of State

L.R. No. 0418-10
Bill No. HCS for SS for SCS for SB 46 and 47
Page 12 of 12
May 15, 2001

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director

May 15, 2001